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ILLUSTRATION: SOURAV ROY

100% FDI in Insurance
With more global insurance giants coming to India, expect new jobs to be created, sophisticated products and advanced technology, and higher competition resulting in lower premiums for end users

N-liability law to be tweaked
Govt opens up nuclear power sector to private players, announces ₹20,000 crore Nuclear Energy Mission for research in the field. Also, the nuclear liability laws will be amended before PM Narendra Modi's visit to the US

Strengthening farmer pulse
Loan limit through the Kisan Credit Card up from ₹3 lakh to ₹5 lakh. Nine new missions, including a six-year plan to make India self-reliant in pulses. NAFED will directly procure pulses from registered farmers for 4 years

Census unlikely
The much-delayed decadal census is unlikely to be carried out in 2025 as only ₹574.80 crore has been allocated for the exercise, which is estimated to cost over ₹8,754 crore

Desamante Matti Kaadoi, Desamante Manushuloi (A country is not just its soil, a country is its people)

Nirmala Sitharaman quoting from Telugu playwright Gurajada Apparao's work

DEC(UNION BUDGET 2025-26)DED

TAX AXE BUDGET PRODS PEOPLE TO SPEND MORE

This is a people's budget, it will boost investment and pave the way for 'Viksit Bharat ... will hugely benefit middle class

Narendra Modi, Prime Minister

A band-aid for bullet wounds! Solving our economic crisis demanded a paradigm shift. But this govt is bankrupt of ideas

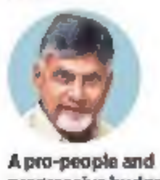
Rahul Gandhi, Congress MP

What's the need to call it Union Budget if funds & schemes are announced only for states where polls are imminent or where BJP & its allies rule

MK Stalin, TN CM

This budget is progressive. The announcements made for Bihar in the budget will further accelerate its development

Nitish Kumar, Bihar Chief Minister



A pro-people and progressive budget... reflects vision of Viksit Bharat and prioritises welfare of women, the poor and youth

Chandrababu Naidu, Andhra Chief Minister

DIPAK MONDAL @New Delhi

A country is not just its soil, a country is its people—the famous line of Telugu poet and playwright Gurajada Appa Rao quoted by Finance Minister Nirmala Sitharaman in her speech—sums up the focus of Budget 2025-26. The middle class was the central focus of the Budget, which heralded a big income tax cut for which came from all corners—salaried people, industrialists, and economists. All of them were unanimous in their call for a relief to common man, the absence of which was writ large in all macro and micro indicators.

The FM was cheered by all the members of Parliament when she announced the personal tax proposals, which include a major overhaul in tax slabs and an increase in the threshold up to which no tax is levied on income. The income threshold was increased from ₹7 lakh to ₹12 lakh, virtually making any income up to ₹12.75 lakh tax free. The new tax slab significantly reduces the tax burden on all with the highest tax rate of 30% applicable on income over ₹24 lakh from ₹18 lakh earlier.

The government will introduce a new income tax bill in Parliament next week, replacing the six-decade old Income Tax Act of 1961.

According to Sitharaman, the tax reforms will result in a revenue loss of ₹1 lakh crore. However, analysts say this could be much higher. Despite her tax largesse and the resultant revenue loss, the government maintains a strong fiscal stance. The fiscal deficit target has been kept at 4.4% in FY26, and the government plans to keep its borrowings lower than the current financial year, lower than 4.8% estimated in the current financial year. It's a fiscal magic that the government plans to achieve through higher collection of personal taxes, which are estimated to grow at 14.5%.

The government has, for a change, decided to go slow on capital expenditure as the allocation for capex has been kept at ₹11.2 lakh crore, a 10% increase from the revised FY25 estimate of ₹10.2 lakh crore.

However, the government has defended the flat capex numbers arguing that the budgeted numbers don't include the central PSUs' capex commitment of ₹4 lakh crore for the year. "So, there is no going back or scaling down on public capex," said finance secretary Tuhin Kanta Pandey.

The Budget also launched a massive rationalisation of customs duty to help both manufacturers and the middle class. That the move came in the wake of US President Donald Trump's aggressive stance against countries with high import tax regime is notable. With the proposed duty cut, Harley-Davidsons bikes could be cheaper as the levy will come down from 50% to 40%.

Apart from the middle class, the Budget centred around 10 broad areas focusing on the poor, youth, farmers, and women. The objectives include spurring agricultural growth and productivity, building rural prosperity and resilience; inclusive growth path, boosting manufacturing and supporting MSMEs, and enabling employment-led development.

In a big boost to the MSME sector, the FM announced that credit guarantee cover for the MSME will be doubled from ₹5 crore to ₹10 crore. This could lead to additional credit of ₹1.5 lakh crore in the next five years. Over 1 crore registered MSMEs currently employ 7.5 crore people and generate 36% of India's manufacturing.

WELL DONE

Prime Minister Narendra Modi and other ministers greet Finance Minister Nirmala Sitharaman after she presented the Union Budget 2025-26 in the Lok Sabha, in New Delhi on Saturday | PTI

PRE-POLL SOP

Bihar gets bulk of the allocations

RAJESH KUMAR THAKUR @New Delhi

BIHAR was written all over the Union Budget as it made significant allocations for the NDA-ruled state that will face assembly polls later this year.

From Nirmala Sitharaman draping herself in a Madhubani saree gifted by Padma awardee Dulari Devi, who hails from Mithilanchal and is an ace in Madhubani paintings, to the finance minister considerably loosening her purse strings for the underdeveloped state, there was a sense of purpose behind the slew of allocations.

They ranged from promoting agriculture through a Makhana Board and financial support for the Western Kosi Canal Project, to greenfield airports and plans to expand IIT Patna.

North Bihar, especially Mithilanchal, could benefit from these targeted investments, which could potentially influence the electoral outcome there. Mithlanchal has about 60 seats in the assembly, 40 of which were won by the NDA in the 2020 state elections.

"The budget's focus on agriculture is a boon to farmers in Mithilanchal, where farming is the primary livelihood for a majority of the population," said Dr Archana Kumari, a political researcher from Patna.

Mithilanchal produces 85% of country's Makhana (fox nuts). The Makhana Board will benefit more than 5 lakh farmers cultivating it in Bihar's Darbhanga, Madhubani, Saharsa, Supual, Madhubani, Sitamarhi, Saharsa, Katihar, Purnia, Kishnaganj, Araria and other districts.

Apart from this, the budget promised financial support for the western Kosi canal, which will benefit farmers cultivating around 50,000 hectares in the Mithilanchal region.

Other proposals included setting up a new National Institute of Food Technology, Entrepreneurship and Management in the state.

New income tax slabs

Up to ₹4L	₹4L to ₹8L	₹8L to ₹12L	₹12L to ₹16L	₹16L to ₹20L	₹20L to ₹24L	Above ₹24L
X	5%	10%	15%	20%	25%	30%

REBATE ON INCOME TAX

INCOME	TAX ON SLABS AND RATES		BENEFIT OF RATE / SLAB	REBATE BENEFIT	TOTAL BENEFIT	TAX AFTER REBATE BENEFIT
	Present	Proposed		Full up to ₹12L		
₹8L	30K	20K	10K	20K	30K	0
₹9L	40K	30K	10K	30K	40K	0
₹10L	50K	40K	10K	40K	50K	0
₹11L	65K	50K	15K	50K	65K	0
₹12L	80K	60K	20K	60K	80K	0
₹16L	1.7L	1.2L	50K	0	50K	1.2L
₹20L	2.9L	2L	90K	0	90K	2L
₹24L	4.1L	3L	1.1L	0	1.1L	3L
₹50L	11.9L	10.8L	1.1L	0	1.1L	10.8L

NO TAX FOR UP TO ₹12.75 LAKH, MAJOR OVERHAUL IN SLABS

DIPAK MONDAL @New Delhi

FINANCE Minister Nirmala Sitharaman on Saturday gave the middle class and common man enough reasons to smile when she announced her personal income tax proposals. Not only did she increase the income threshold up to which no taxes would be levied from ₹7 lakh to ₹12 lakh, she also changed the income tax slabs that will lead to a substantial reduction in tax burden for all taxpayers under the new tax regime. With these changes, and the standard deduction of ₹75,000, an individual earning ₹12.75 lakh a year will have to pay no taxes under the new tax regime.

However, if one's taxable income crosses that threshold, all the income would be taxed as per the new slabs, which are both magnanimous and generous.

The new tax slab increases the basic exemption limit from ₹3 lakh to ₹4 lakh, which means the first ₹4 lakh would attract no taxes. Income from ₹4-8 lakh would attract a rate of 5%, ₹8 lakh-12 lakh would attract 10%.

From ₹12,00,001 to ₹16 lakh, there will be 15% tax and from ₹16,00,001 to ₹20 lakh, the tax rate would be 20%. The government has introduced a new tax slab of 25%, which would be applicable income from ₹20,00,001 to ₹24 lakh. The highest tax slab of 30% kicks in only if the income crosses ₹24 lakh per annum.

A taxpayer in the new regime with ₹12 lakh income will save ₹80,000 in tax (which is 100% of tax payable as per existing rates). A person earning ₹18 lakh will get a tax benefit of ₹70,000 (30% of tax payable as per existing rates), while a person with an income of ₹25 lakh gets a benefit of ₹1,10,000 (25% tax payable as per existing rates).

Meanwhile, the FM also announced that the new direct tax bill will be introduced in the Budget session of Parliament. "The new income-tax bill will carry forward the same spirit of 'Nyaya', said the FM, adding that the new bill will be clear and direct in text with close to half of the present law, in terms of both chapters and words.

NEW, SIMPLE INCOME TAX BILL COMING

The government will introduce a new Income Tax bill in Parliament next week, replacing the six-decade old income tax Sct of 1961. "The new bill will be clear and direct in text with close to half of the present law, in terms of both chapters and words. It will be simple to understand," Sitharaman said

Siddu: Only 'chombu' for Karnataka

K SHIVA KUMAR @ Mysuru

TERMING the Union Budget most disappointing and lacklustre, Chief Minister Siddaramaiah on Saturday said that it has nothing for Karnataka.

He said the budget is directionless and lacks vision. The Union government gave a "chombu" (empty pot) for Karnataka, whereas it announced many projects for poll-bound Bihar. Special grants have been announced for Andhra Pradesh, which is with NDA. The Centre has ignored Karnataka though it is the second highest tax paying state.

He said states that oppose Manusmriti have been sidelined. The budget is anti-poor, anti-farmer, and anti-working class. Though five Union ministers – Nirmala Sitaraman, HD Kumaraswamy, V Somanna, Shobha Karandlaje and Prahlad Joshi- are from Karnataka, they have disappointed the people of the state. BJP MPs and ministers did not raise their voice against "injustice" in allocation of funds to the state.

He said during pre-budget meetings, Karnataka sought release of funds for the Upper Bhadra project announced in the previous budget, funds for the Upper Krishna project, Rs 5,000 crore for urban development, for AIIMS in Raichur, national highway and railway projects and for development of lakes and rajakaluves, but the Centre rejected the demand.

Siddaramaiah said Karnataka, which has the highest rainfed area after Rajasthan, received no irrigation projects. The Centre did not increase the allocation for housing projects in urban pockets, though the state had requested it to do so.

Siddaramaiah criticised the Centre for cutting MGNREGA grants from Rs 89,154 crore to Rs 86,000 crore. Allocation for crop insurance has been reduced from Rs 15,864 crore in 2024-25 to Rs 12,242 crore in 2025-26, he said. **MORE: P6, P7**

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CRYPTO TRANSACTION DETAILS MANDATORY | P13

TAX RELIEF WILL HELP SPUR CONSUMPTION | P14

EXPRESS READ

Portal to track microfin loans

Bengaluru: Law Minister HK Patil and Revenue Minister Krishna Byre Gowda on Saturday held a meeting with senior officials to draft a law to rein in errant microfinance companies. They discussed key measures, including a portal to track and update details regarding loan disbursements, ensuring transparency. **P5**

SIT to probe charge against HDK

Bengaluru: Revenue Minister Krishna Byre Gowda on Saturday clarified that the allegation of encroachment of government land at Kethaganahalli near Bidadi against Union Minister HD Kumaraswamy will be investigated as per the instructions of the high court. "A Special Investigation Team (SIT) has been formed and it will submit its report within the deadline given by the HC," he told reporters. Based on former Mandya MP late G Made Gowda's complaint against Kumaraswamy and former minister DC Thammanna, the Lokayukta ordered recovery of the encroached land in 2014. As no action was taken, Samaj Parivartana Samudaya, an NGO, filed a contempt case against the government in the HC in 2020. **P5**

Guj riots survivor Zakia Jafri dies

Ahmedabad: Zakia Jafri, the wife of former Congress MP Ehsan Jafri who was killed in the 2002 Gujarat riots, died in Ahmedabad on Saturday. She was 86. Ehsan Jafri was among 69 persons who were killed inside Gulbarg Society in Ahmedabad, on February 28, 2002.

Nine tremors in six days rattle Uttarkashi

Dehradun: Residents of Uttarkashi district of Uttarakhand have been rattled by a series of continuous earthquake tremors over the past 10 days, prompting seismologists to issue a warning urging locals to stay vigilant and acclimatise to living in such conditions.

Arab states reject Don's refugee plan

Cairo: Powerful Arab nations on Saturday rejected US President Donald Trump's suggestion to relocate Palestinians from Gaza to neighbouring Egypt and Jordan. The statement warned that such plans threaten the region's stability, risk expanding the conflict, and undermine prospects for peace.